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SOVIET DECISIONS ON INDUSTRY

I. Communist Party Central Committee decisions

indicate continuation economic policy expressed in the February 1955 budget to "strengthen the defense potential."

II. The Soviet Fifth Five Year Plan (1950-55) for

industrial production was fulfilled. However, consumer goods goals reduced January 1955, probably will be met.

III. Last week in Party Central Committee meeting,

Premier Bulganin re-emphasized heavy industry

as the basis for the rapid development of all

branches of the national economy. Thus Sixth

(to be made public in Feb '56 at 20th Party Congress)

Five Year Plan will stress continued rapid

expansion of metallurgical (especially

aluminum) fuel, chemical, and electric power

industries.

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IV. To solve the chronic problem of lagging labor

productivity and high production costs, the

Sixth Five Year Plan will concentrate on the

production of modern machinery for greater

mechanization, automation, and specialization.

Bulganin encouraged wider foreign contact for

exchange of the latest technological information.

V. Premier Bulganin apparently did not discuss

increasing labor productivity by increasing

consumer incentives directly. Central Committee

reports on Soviet agriculture not yet received.

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